CITY OF HERINGTON, KANSAS

DECEMBER 31, 2022

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VOGEL PIERCE FARIS
Chartered

CITY OF HERINGTON, KANSAS

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INDEPENDENT AUDITORS' REPORT

The Mayor and City Commission
City of Herington, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying regulatory basis summary statement of receipts, expenditures, and unencumbered cash balances of City of Herington, Kansas (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse and Unmodified Opinions on U.S. Generally Accepted Accounting Principles" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on the Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City as of December 31, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1—Summary of Significant Accounting Policies.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the City on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the regulatory basis reporting provisions in the *Kansas Municipal Audit and Accounting Guide*, as described in Note 1—Summary of Significant Accounting Policies, to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of receipts, expenditures, and unencumbered cash balances – regulatory basis (basic financial statement) as a whole. The summary of expenditures – regulatory basis – actual and budget, the individual fund schedules of receipts and expenditures – regulatory basis – actual and budget, and the schedule of receipts and expenditures – regulatory basis – related municipal entity (Schedules 1 through 3, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, they are required to be presented under the provisions in *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and the supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1—Summary of Significant Accounting Policies.

Lindburg Vogel Pierce Faris

Certified Public Accountants

Hutchinson, Kansas
August 16, 2023

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND	$ 71,826	$ 2,131,886	$ 1,996,589	$ 207,123	$ -	$ 207,123
SPECIAL PURPOSE FUNDS						
Library	-	72,363	72,363	-	-	-
Employee Benefits	82,567	386,227	424,976	43,818	-	43,818
Special Highway	19,632	58,786	57,464	20,954	-	20,954
Park, Recreation, and Improvements	630	7,777	8,045	362	-	362
Guest Tax	10,849	16,478	7,608	19,719	-	19,719
2010 Sales Tax	138,363	-	-	138,363	-	138,363
2006 Sales Tax	329,766	176,800	239,110	267,456	-	267,456
Storm Water Drainage	60,428	55,313	134,345	(18,604)	-	(18,604)
Police Diversion	(2,204)	7,204	5,000	-	-	-
Capital Improvement	51,375	1,050	-	52,425	-	52,425
Equipment Reserve	109,184	782	14,236	95,730	-	95,730
Donations	84,952	-	44,178	40,774	-	40,774
Hilltop Deposits	992	437	-	1,429	22,578	24,007
UPTICC Grant	-	20,900	20,900	-	-	-
KMEA Prepayments	129,404	70,584	199,988	-	-	-
COVID/SPARK	(1,013)	1,013	-	-	-	-
American Rescue Plan	173,059	173,059	66,051	280,067	-	280,067
BOND AND INTEREST FUND						
Bond and Interest	11,256	181,218	184,261	8,213	-	8,213
TRUST FUND						
Cemetery Perpetual	146,686	4,405	-	151,091	-	151,091
BUSINESS FUNDS						
Airport	235,277	136,091	390,265	(18,897)	-	(18,897)
Water	728,317	2,126,947	2,389,229	466,035	-	466,035
Light	1,543,837	3,075,340	2,787,160	1,832,017	-	1,832,017
Sewer	222,974	313,025	354,788	181,211	-	181,211
Solid Waste	18,107	223,592	223,493	18,206	-	18,206
TOTAL PRIMARY GOVERNMENT	4,166,264	9,241,277	9,620,049	3,787,492	22,578	3,810,070
RELATED MUNICIPAL ENTITIES						
Herington Public Library	205,451	82,135	85,342	202,244	-	202,244
TOTAL REPORTING ENTITIES	$ 4,371,715	$ 9,323,412	$ 9,705,391	$ 3,989,736	$ 22,578	$ 4,012,314

The notes to the financial statement are an integral part of the financial statement.

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH - REGULATORY BASIS
For Year Ended December 31, 2022

COMPOSITION OF CASH		
Checking accounts		
Central National Bank	$	2,963,888
Certificates of deposit and savings accounts		
Central National Bank		536,576
First National Bank of Hope		300,000
Cash and cash items		9,606
Related municipal entity		
Herington Public Library		202,244
TOTAL REPORTING ENTITIES	$	4,012,314

The notes to the financial statement are an integral part of the financial statement.

CITY OF HERINGTON, KANSAS
Herington, Kansas

NOTES TO THE FINANCIAL STATEMENT
December 31, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Herington, Kansas (the City) is a municipal corporation governed by an elected mayor and five-member commission. The financial statement presents the City (the municipality) and certain related municipal entities, described below, which are included in the City's reporting entity because of their operational or financial relationship with the City. Related municipal entities are entities for which the City is considered to be financially accountable. The blended related municipal entity, although a legally separate entity is, in substance, part of the City's operations. Data from this related municipal entity is combined with data from the City. The discretely presented related municipal entities are reported in a separate line in the financial statement to emphasize that it is legally separate from the City.

Discretely Presented Related Municipal Entity

The Herington Public Library (the Library) is governed by a board, which is appointed by the City. The Library is not a separate taxing entity under Kansas statutes, and the City levies taxes for the Library operation, which represents a significant portion of its total revenues. Acquisition or disposition of real property by the Library Board must be approved by the City. Bond issuances must also be approved by the City.

Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or objectives in accordance with special regulations, restrictions, or limitations.

Kansas Municipal Audit and Accounting Guide Regulatory Basis of Presentation Fund Definitions

The following types of funds comprise the financial activities of the City for the year of 2022:

General Fund

To account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds

To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are intended for specified purposes.

Bond and Interest Fund

To account for the accumulation of resources for the payment of interest and principal on long-term debt.

Business Funds

Funds financed in whole or in part by fees charged to users of the goods and services.

Trust Funds

Funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America

The regulatory basis of accounting provisions in the *Kansas Municipal Audit and Accounting Guide* (KMAAG) involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and reporting the changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities, or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles, and allowing the municipality to use the regulatory basis of accounting.

Compensated Absences

The City's policies regarding vacation and sick leave permit employees to accumulate a maximum of 60 days' vacation and 120 days sick leave. Policies prohibit payment of vacation time in lieu of time off and all accumulated vacation pay is payable upon employment termination. Retiring employees, who are age 62, or with twenty years' service with the City, or that are KPERS eligible, are paid for accumulated sick leave at the ratio of one day per four days of accrued sick leave.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Temporary Notes

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits the temporary financing of such improvements by the issuance of temporary notes. Temporary notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing and have a maturity date not later than four years from the date of issuance of such temporary notes. Temporary notes outstanding are retired from the proceeds of the sale of general obligation bonds or from other City funds.

Special Assessments

Projects financed in part by special assessments are financed through general obligation bonds of the City and are retired from the Bond and Interest Fund. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the Bond and Interest Fund.

Interest Income

Unless specifically designated, all investment income is credited to the General Fund.

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of budget for the succeeding calendar year on or before August 1 of each year.

2. Publication of proposed budget on or before August 5 of each year.

3. Public hearing on or before August 15 of each year, but at least ten days after publication of notice of hearing.

4. Adoption of final budget on or before August 25 of each year.

If the City is holding a revenue rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City held a revenue neutral rate hearing as a part of the process for adoption of the 2022 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such amended budgets for the year ended December 31, 2022.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

Original appropriations are modified by supplemental appropriations and transfers among budget categories. The City Commission approves all significant changes.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Equipment Reserve Fund, Capital Improvement Fund, Hilltop Deposits Fund, Donations Fund, UPTICC Grant, KMEA Prepayment, COVID/SPARK Fund, and American Rescue Plan.

Taxes levied to finance the budget become a lien against all property November 1. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. These taxes are made available to the City after January 1 and are distributed by the County Treasurer generally in the months of January and June. Delinquent tax collections are distributed throughout the year.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Expenditures of the following funds exceeded available unencumbered cash by the respective amounts, that is, there was a deficit unencumbered cash balance at year end, a violation of K.S.A. 10-1113, the cash basis law, which requires that no indebtedness be created for a fund in excess of available monies in that fund.

Storm Water Drainage Fund	$	18,604
Airport Fund		18,897

Expenditures of the Park, Recreation, and Improvements Fund and Storm Water Drainage Fund exceeded their adopted budgets by $4,351 and $14,224, respectively, a violation of K.S.A. 79-2935, the budget law.

Management was not aware of any other material statutory violations.

NOTE 3—DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the summary statement of receipts, expenditures, and unencumbered cash. In addition, investments are held separately by some of the City's Funds. The cash balances of certain funds are restricted as to their use.

K.S.A. 9-1401 established the depositories, which may be used by the City. The statute requires banks eligible to hold the City's Funds have a main or branch bank in the county in which the City is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by FDIC insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

Deposits

At year end, the carrying amount of the City's deposits were $3,800,464. The bank balance was $4,279,287. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $750,000 was covered by FDIC insurance and $3,529,287 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the City's name.

At year end, the carrying amount of the Herington Public Library's deposits were $202,244 and the bank balance was $204,249. The differences between the carrying amounts and the bank balances are outstanding checks and deposits in transit. The bank balances of the Herington Public Library were entirely covered by FDIC insurance.

NOTE 4—LONG-TERM DEBT

Terms for long-term debt for the City for the year ended December 31, 2022, were as follows:

Issue	Interest Rates	Date of Issue	Interest Due	Principal Due	Amount of Issue	Date of Final Maturity
General Obligation Bonds						
Series 2014	1.00% to 2.80%	08/28/14	03-01,09-01	03-01	$ 945,000	03/01/25
Series 2017	3.00%	09/20/17	04-01,10-01	10-01	725,000	10/01/28
Finance leases						
Excavator	3.25%	03/23/17	03-23	03-23	44,300	03/23/23
WatchGuard camera system	3.65%	12/04/18	02-07	02-07	52,104	02/07/23
Street sweeper	4.52%	06/01/19	12-01	12-01	185,000	12/01/25
Fire equipment	3.19%	08/15/21	08-15	08-15	242,649	08/15/31
Command unit and compressor station	4.54%	08/01/22	08-01	08-01	110,000	08/01/32
Other debt						
KWPCRF no. C20 1203-01	2.58%	09/12/03	03-01,09-01	03-01,09-01	605,000	09/01/25
KPWSLF no. 2357	3.68%	03/01/04	02-01,08-01	02-01,08-01	1,206,038	08/01/25

In January 2018, the City approved financing for construction of a water treatment facility through the Kansas Department of Health and Environment's Kansas Public Water Supply Loan Fund (loan no. 2927). The total financing available for this project with amendments, is $5,000,000, with an interest rate of 2.14% and potential loan forgiveness of $1,022,700 one year after completion of the project if certain conditions are met. The City will drawdown funds to pay project costs as the project progresses. At December 31, 2022, total drawdowns received, less principal repayments, were $4,692,912.

In November 2020, the City approved financing for construction of a waste water treatment facility through the Kansas Department of Health and Environment's Kansas Water Pollution Control Revolving Loan Fund (loan no. C20 2040-01). The total financing available for this project is $946,000, with an interest rate of 1.34%. The City will drawdown funds to pay project costs as the project progresses. At December 31, 2022, total drawdowns received, less principal repayments, were $682,321.

Changes in long-term debt for the City for the year ended December 31, 2022, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2014	$ 400,000	$ -	$ 95,000	$ 305,000	$ 9,561
Series 2017	490,000	-	65,000	425,000	14,700
Finance leases					
Excavator	15,721	-	7,734	7,987	511
Asphalt zipper	22,574	-	22,574	-	688
WatchGuard camera system	26,986	-	13,251	13,735	985
Street sweeper	110,264	-	25,766	84,498	4,984
Fire equipment	242,649	-	22,250	220,399	7,750
Command unit and compressor station	-	110,000	-	110,000	-
Other debt					
KWPCRF no. C20 1203-01	131,456	-	36,249	95,207	3,466
KWPCRF no. C20 2040-01	645,963	58,676	22,318	682,321	4,721
KPWSLF no. 2357	392,883	-	72,953	319,930	13,793
KPWSLF no. 2927	3,408,600	1,284,512	200	4,692,912	78,037
Total bonded indebtedness	$ 5,887,096	$ 1,453,188	$ 383,295	$ 6,956,989	$ 139,196

Current maturities of long-term debt and interest, excluding KWPCRF no. C20 2040-01 and KPWSLF no. 2927, for the next five years and in five-year increments through maturity are as follows:

	Principal		
	General Obligation Bonds	Finance Leases	Other Debt
2023	$ 165,000	$ 80,546	$ 112,944
2024	170,000	61,181	116,817
2025	175,000	63,634	100,967
2026	70,000	35,439	84,409
2027	75,000	36,709	-
2028-2031	75,000	159,110	-
	$ 730,000	$ 436,619	$ 415,137

	Interest		
	General Obligation Bonds	Finance Leases	Other Debt
2023	$ 19,890	$ 16,618	$ 13,516
2024	15,140	13,501	9,644
2025	10,170	11,047	5,636
2026	6,600	8,493	2,337
2027	4,500	7,223	-
2028-2031	2,250	16,298	-
	$ 58,550	$ 73,180	$ 31,133

NOTE 5—TRANSFERS

Interfund transfers for the year ended December 31, 2022, were as follows:

Amount	From Fund	To Fund	Statutory Authority
$ 111,000	Light	Bond and Interest	K.S.A. 12-825d
146,000	Light	General	K.S.A. 12-825d
125,000	2006 Sales Tax	General	K.S.A. 79-2958
20,900	General	UPTICC Grant	Budgetary
1,012	General	COVID/SPARK	Budgetary
6,555	General	Police Diversion	Budgetary
199,988	KMEA Prepayments	General	Budgetary

NOTE 6—DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to substantially all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 7—DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in the Comprehensive Annual Financial Report, which can be found on KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the Kansas Public Employees Retirement System (KPERS) member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009; KPERS 2 members were first employed in a covered position on or after July 1, 2009; and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law establishes the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, or KPERS 3 members. K.S.A. 74-4975 establishes the Kansas Police and Firemen's Retirement System (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Kansas law provides that employer contribution rates for KPERS 1, KPERS 2, KPERS 3, and KP&F be determined annually based on the results of an annual actuarial valuation. The actuarially determined employer contribution rate (excluding the contribution rate for the Death and Disability program) and the statutory contribution rate was 8.90% for KPERS and 22.99% for KP&F for the year ended December 31, 2022. Contributions to the pension plan from the City were $100,261 for KPERS and $127,832 for KP&F for the year ended December 31, 2022.

Net Pension Liability

At December 31, 2022, KPERS has determined the City's proportionate share of the collective net pension liability was $1,111,078 for KPERS and $959,834 for KP&F. The net pension liability was measured as of June 30, 2022, and the total pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The City's share of the allocation is based on the ratio of the City's employer contributions, relative to the total employer and nonemployer contributions for the plan groups the City participates in. Because the regulatory basis of accounting under *Kansas Municipal Audit and Accounting Guide* does not recognize long-term debt, this liability is not reported in the financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 8—OTHER LONG-TERM OBLIGATIONS

Other Post-Employment Benefits – Group Health Insurance

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Other Post-Employment Benefits – Death and Disability Benefits

As provided by K.S.A. 74-4927, disabled members in KPERS receive long-term disability and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate was set at 1% for the year ended December 31, 2022.

NOTE 9—RISK MANAGEMENT

The City is subject to certain risks such as torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from third parties. There have been no significant reductions in insurance coverage from the prior year and there have been no settled claims in excess of insurance coverage for the prior three years.

NOTE 10—LEASES

The City leases airport land to others through operating leases, the majority of which are cancelable. Future minimum rentals receivable under noncancelable operating leases at December 31, 2022, are as follows:

Year Ending	Amount
2023	$ 27,109
2024	27,536
2025	19,712
2026	10,171
2027	10,181
Later years	80,340
	$ 175,049

NOTE 11—CAPITAL PROJECTS

At year end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

Project	Project Authorization	Expenditures through 12/31/22
Water treatment facility	$ 5,000,000	$ 4,845,146
Waste water treatment facility	946,000	709,202

NOTE 12—CONTINGENCIES

The City is involved in litigation and regulatory issues arising out of the normal course of business. Management believes that these matters will be resolved without materially affecting the City's future financial position.

CITY OF HERINGTON, KANSAS
Herington, Kansas

SUMMARY OF EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUND	$ 2,034,029	$ -	$ 2,034,029	$ 1,996,589	$ (37,440)
SPECIAL PURPOSE FUNDS					
Library	78,526	-	78,526	72,363	(6,163)
Employee Benefits	450,000	173	450,173	424,976	(25,197)
Special Highway	73,598	-	73,598	57,464	(16,134)
Park, Recreation, and Improvements	3,694	-	3,694	8,045	4,351
Guest Tax	31,140	-	31,140	7,608	(23,532)
2010 Sales Tax	-	-	-	-	-
2006 Sales Tax	416,729	-	416,729	239,110	(177,619)
Storm Water Drainage	120,121	-	120,121	134,345	14,224
Police Diversion	10,000	-	10,000	5,000	(5,000)
Capital Improvement	51,539	-	51,539	-	(51,539)
Equipment Reserve	46,500	-	46,500	14,236	(32,264)
BOND AND INTEREST FUND					
Bond and Interest	189,261	-	189,261	184,261	(5,000)
BUSINESS FUNDS					
Airport	531,453	-	531,453	390,265	(141,188)
Water	1,204,557	1,280,534	2,485,091	2,389,229	(95,862)
Light	3,884,855	-	3,884,855	2,787,160	(1,097,695)
Sewer	558,007	54,405	612,412	354,788	(257,624)
Solid Waste	269,206	-	269,206	223,493	(45,713)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Taxes			
Ad valorem property tax	$ 381,259	$ 401,525	$ (20,266)
Delinquent tax collections	30,695	10,000	20,695
Motor vehicle tax	54,354	49,217	5,137
Recreational vehicle tax	1,038	968	70
16/20M truck tax	958	1,504	(546)
Commercial vehicle tax	-	2,214	(2,214)
Watercraft tax	-	223	(223)
Neighborhood revitalization rebate	-	(3,635)	3,635
Special assessments	175	2,000	(1,825)
Local sales tax	351,054	285,000	66,054
Compensating use tax	100,382	75,000	25,382
Liquor tax	3,399	1,000	2,399
Total Taxes	923,314	825,016	98,298
Intergovernmental			
Highway connecting links	15,340	9,200	6,140
Rural fire contracts	44,379	36,500	7,879
Total Intergovernmental	59,719	45,700	14,019
Licenses, Fees, and Permits			
Utility franchise tax	81,079	75,000	6,079
New lake licenses	5,483	-	5,483
Miscellaneous permits and licenses	13,279	22,000	(8,721)
Total Licenses, Fees, and Permits	99,841	97,000	2,841
Charges for Services			
Cemetery	3,675	4,250	(575)
Court	21,574	50,500	(28,926)
Swimming pool	21,825	18,500	3,325
Total Charges for Services	47,074	73,250	(26,176)
Rental income			
Homestead rents	164,150	191,160	(27,010)
Community building rent	14,125	-	14,125
Farmland	3,011	-	3,011
Miscellaneous	2,720	20,000	(17,280)
Total Rental Income	184,006	211,160	(27,154)
Fines, Forfeitures, and Penalties	30	-	30
Interest on Idle Funds	73,994	15,000	58,994
Hilltop			
Bus	19,752	-	19,752
Building rent	57,646	-	57,646
Reimbursed expenses	79,125	-	79,125
Miscellaneous	1,048	160,000	(158,952)
Total Hilltop	157,571	160,000	(2,429)
Other Receipts			
Reimbursed expenses	75,030	18,000	57,030
Grants	39,182	-	39,182
Sale of surplus property	2	-	2
Transfer from:			
KMEA Prepayments	199,988	199,988	-
2006 Sales Tax Fund	125,000	125,000	-
Light Fund	146,000	146,000	-
Hospital Fund	-	589	(589)
Miscellaneous	1,135	15,000	(13,865)
Total Other Receipts	586,337	504,577	81,760
TOTAL RECEIPTS	2,131,886	$ 1,931,703	$ 200,183

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
EXPENDITURES			
General Administration			
Personal services	$ 23,860	$ 34,422	$ (10,562)
Contractual services	78,299	60,300	17,999
Commodities	13,376	13,100	276
Capital outlay	9,302	15,000	(5,698)
Miscellaneous	282	550	(268)
Transfer to:			
Police Diversion	6,555	-	6,555
COVID/SPARK	1,012	-	1,012
UPTICC Grant	20,900	-	20,900
Total departmental	153,586	123,372	30,214
Police			
Personal services	349,092	459,000	(109,908)
Contractual services	84,302	31,750	52,552
Commodities	47,291	60,700	(13,409)
Capital outlay	47,162	-	47,162
Total departmental	527,847	551,450	(23,603)
Fire			
Personal services	162,331	122,196	40,135
Contractual services	45,115	50,925	(5,810)
Commodities	119,278	81,650	37,628
Capital outlay	17,000	20,000	(3,000)
Lease payment	30,000	-	30,000
Total departmental	373,724	274,771	98,953
Street			
Personal services	161,918	168,300	(6,382)
Contractual services	48,286	37,350	10,936
Commodities	83,189	76,600	6,589
Street improvements	32,348	50,000	(17,652)
Lease payments	-	23,386	(23,386)
Capital outlay	-	20,000	(20,000)
Total departmental	325,741	375,636	(49,895)
Park, Cemetery, and Lake			
Personal services	30,496	29,427	1,069
Contractual services	10,980	5,380	5,600
Commodities	5,664	4,300	1,364
Total departmental	47,140	39,107	8,033
Pool			
Personal services	30,459	37,000	(6,541)
Contractual services	2,622	3,000	(378)
Commodities	33,804	40,750	(6,946)
Total departmental	66,885	80,750	(13,865)

CITY OF HERINGTON, KANSAS
Herington, Kansas

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
EXPENDITURES (continued)			
Municipal Court			
Personal services	$ 28,075	$ 66,300	$ (38,225)
Contractual services	2,230	8,450	(6,220)
Commodities	394	2,300	(1,906)
Refunds and state assessments	2,812	6,000	(3,188)
Total departmental	33,511	83,050	(49,539)
Lakes			
Personal services	14,283	28,254	(13,971)
Contractual services	17,537	12,600	4,937
Commodities	24,579	18,100	6,479
Capital outlay	-	10,000	(10,000)
Other expense	11,164	8,000	3,164
Total departmental	67,563	76,954	(9,391)
Community Building			
Contractual services	23,558	23,700	(142)
Commodities	3,789	13,550	(9,761)
Capital outlay	-	1,000	(1,000)
Total departmental	27,347	38,250	(10,903)
Homestead Village			
Personal services	19,901	19,023	878
Contractual services	32,359	32,350	9
Commodities	35,726	19,050	16,676
Capital outlay	-	15,000	(15,000)
Total departmental	87,986	85,423	2,563
Hilltop			
Personal services	118,330	123,216	(4,886)
Contractual services	88,290	71,750	16,540
Commodities	14,056	22,800	(8,744)
Capital outlay	-	10,000	(10,000)
Total departmental	220,676	227,766	(7,090)
Special Projects			
Pool Remodel Fund	64,583	15,000	49,583
Lake Master Plan	-	50,000	(50,000)
Property Abatement Fund	-	2,500	(2,500)
Trail Head	-	10,000	(10,000)
Total departmental	64,583	77,500	(12,917)
TOTAL EXPENDITURES	1,996,589	$ 2,034,029	$ (37,440)
RECEIPTS OVER (UNDER) EXPENDITURES	135,297		
UNENCUMBERED CASH, BEGINNING	71,826		
UNENCUMBERED CASH, ENDING	$ 207,123		

CITY OF HERINGTON, KANSAS
Herington, Kansas

LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 59,545	$ 69,443	$ (9,898)
Delinquent tax collections	4,546	1,000	3,546
Motor vehicle tax	7,945	6,970	975
Recreational vehicle tax	152	137	15
16/20M truck tax	175	213	(38)
Commercial vehicle tax	-	313	(313)
Watercraft tax	-	31	(31)
Neighborhood revitalization rebate	-	(581)	581
TOTAL RECEIPTS	72,363	$ 77,526	$ (5,163)
EXPENDITURES			
Appropriations to library	72,363	$ 78,526	$ (6,163)
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	-		
UNENCUMBERED CASH, ENDING	$ -		

CITY OF HERINGTON, KANSAS
Herington, Kansas

EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 323,474	$ 342,584	$ (19,110)
Delinquent tax collections	18,879	7,000	11,879
Motor vehicle tax	30,191	26,261	3,930
Recreational vehicle tax	576	516	60
16/20M truck tax	687	803	(116)
Commercial vehicle tax	-	1,181	(1,181)
Watercraft tax	-	118	(118)
Neighborhood revitalization rebate	-	(2,113)	2,113
Reimbursed expenses	173	-	173
KMU dividend check	-	10,000	(10,000)
Miscellaneous	12,247	-	12,247
TOTAL RECEIPTS	386,227	$ 386,350	$ (123)
EXPENDITURES			
Health insurance	178,349	$ 210,000	$ (31,651)
Social Security	70,348	68,000	2,348
Workers' compensation	24,318	28,000	(3,682)
KPERS	38,381	30,500	7,881
KP&F retirement	92,084	111,000	(18,916)
Unemployment insurance	21,496	2,500	18,996
TOTAL EXPENDITURES	424,976	450,000	(25,024)
Adjustment for qualifying budget credits	-	173	(173)
TOTALS FOR COMPARISON	424,976	$ 450,173	$ (25,197)
RECEIPTS OVER (UNDER) EXPENDITURES	(38,749)		
UNENCUMBERED CASH, BEGINNING	82,567		
UNENCUMBERED CASH, ENDING	$ 43,818		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SPECIAL HIGHWAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State of Kansas - fuel taxes	$ 58,786	$ 58,320	$ 466
EXPENDITURES			
Commodities	23,464	$ 39,500	$ (16,036)
Street improvements	34,000	34,098	(98)
TOTAL EXPENDITURES	57,464	$ 73,598	$ (16,134)
RECEIPTS OVER (UNDER) EXPENDITURES	1,322		
UNENCUMBERED CASH, BEGINNING	19,632		
UNENCUMBERED CASH, ENDING	$ 20,954		

CITY OF HERINGTON, KANSAS
Herington, Kansas

PARK, RECREATION, AND IMPROVEMENTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Liquor enforcement tax	$ 3,399	$ 2,500	$ 899
Reimbursed expenses	4,378	-	4,378
Liquor enforcement tax	7,777	$ 2,500	$ 5,277
EXPENDITURES			
Capital outlay	8,045	$ 3,694	$ 4,351
RECEIPTS OVER (UNDER) EXPENDITURES	(268)		
UNENCUMBERED CASH, BEGINNING	630		
UNENCUMBERED CASH, ENDING	$ 362		

CITY OF HERINGTON, KANSAS
Herington, Kansas

GUEST TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Transient guest tax	$ 16,478	$ 15,500	$ 978
EXPENDITURES			
Contractual services	7,608	$ 12,000	$ (4,392)
Reserve for future period	-	19,140	(19,140)
TOTAL EXPENDITURES	7,608	$ 31,140	$ (23,532)
RECEIPTS OVER (UNDER) EXPENDITURES	8,870		
UNENCUMBERED CASH, BEGINNING	10,849		
UNENCUMBERED CASH, ENDING	$ 19,719		

CITY OF HERINGTON, KANSAS
Herington, Kansas

2010 SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS	$ -	$ -	$ -
EXPENDITURES			
Capital outlay	-	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	-		
UNENCUMBERED CASH, BEGINNING	138,363		
UNENCUMBERED CASH, ENDING	$ 138,363		

CITY OF HERINGTON, KANSAS
Herington, Kansas

2006 SALES TAX FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Local sales tax	$ 135,662	$ 100,000	$ 35,662
Compensating use tax	41,138	25,000	16,138
TOTAL RECEIPTS	176,800	$ 125,000	$ 51,800
EXPENDITURES			
Transfer to - General Fund	125,000	$ 125,000	$ -
Street improvements	114,110	-	114,110
Reserve for future period	-	291,729	(291,729)
TOTAL EXPENDITURES	239,110	$ 416,729	$ (177,619)
RECEIPTS OVER (UNDER) EXPENDITURES	(62,310)		
UNENCUMBERED CASH, BEGINNING	329,766		
UNENCUMBERED CASH, ENDING	$ 267,456		

CITY OF HERINGTON, KANSAS
Herington, Kansas

STORM WATER DRAINAGE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2
Page 11 of 22

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Storm water drainage fee	$ 47,477	$ 50,000	$ (2,523)
Delinquent collections	7,836	2,000	5,836
TOTAL RECEIPTS	55,313	$ 52,000	$ 3,313
EXPENDITURES			
Personal services	45,701	$ 40,000	$ 5,701
Lease payment - street sweeper	-	30,750	(30,750)
Drainage improvements	88,644	49,371	39,273
TOTAL EXPENDITURES	134,345	$ 120,121	$ 14,224
RECEIPTS OVER (UNDER) EXPENDITURES	(79,032)		
UNENCUMBERED CASH, BEGINNING	60,428		
UNENCUMBERED CASH, ENDING	$ (18,604)		

CITY OF HERINGTON, KANSAS
Herington, Kansas

POLICE DIVERSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

Schedule 2
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	Actual	Budget	Variance Over (Under)
RECEIPTS			
Diversion fees	$ 650	$ 10,000	$ (9,350)
Transfer from - General Fund	6,554	-	6,554
Diversion fees	7,204	$ 10,000	$ (2,796)
EXPENDITURES			
Training	-	$ 5,000	$ (5,000)
Equipment	5,000	5,000	-
TOTAL EXPENDITURES	5,000	$ 10,000	$ (5,000)
RECEIPTS OVER (UNDER) EXPENDITURES	2,204		
UNENCUMBERED CASH, BEGINNING	(2,204)		
UNENCUMBERED CASH, ENDING	$ -		

CITY OF HERINGTON, KANSAS
Herington, Kansas

CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest income	$ 1,050	$ 195	$ 855
EXPENDITURES			
Capital improvements	-	$ 51,539	$ (51,539)
RECEIPTS OVER (UNDER) EXPENDITURES	1,050		
UNENCUMBERED CASH, BEGINNING	51,375		
UNENCUMBERED CASH, ENDING	$ 52,425		

CITY OF HERINGTON, KANSAS
Herington, Kansas

EQUIPMENT RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Interest	$ 782	$ -	$ 782
EXPENDITURES			
Capital outlay	-	$ 30,264	$ (30,264)
Lease payment - WatchGuard camera	14,236	14,236	-
Dickinson County- New World Software	-	2,000	(2,000)
TOTAL EXPENDITURES	14,236	$ 46,500	$ (32,264)
RECEIPTS OVER (UNDER) EXPENDITURES	(13,454)		
UNENCUMBERED CASH, BEGINNING	109,184		
UNENCUMBERED CASH, ENDING	$ 95,730		

CITY OF HERINGTON, KANSAS
Herington, Kansas

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Ad valorem property tax	$ 58,130	$ 67,993	$ (9,863)
Delinquent tax collections	4,073	1,000	3,073
Motor vehicle tax	7,687	6,637	1,050
Recreational vehicle tax	148	130	18
16/20M truck tax	180	203	(23)
Commercial vehicle tax	-	299	(299)
Watercraft tax	-	30	(30)
Neighborhood revitalization rebate	-	(558)	558
Transfer from - Light Fund	111,000	111,000	-
TOTAL RECEIPTS	181,218	$ 186,734	$ (5,516)
EXPENDITURES			
Bonds			
Principal	160,000	$ 160,000	$ -
Interest	24,261	24,261	-
Cash basis reserve	-	5,000	(5,000)
TOTAL EXPENDITURES	184,261	$ 189,261	$ (5,000)
RECEIPTS OVER (UNDER) EXPENDITURES	(3,043)		
UNENCUMBERED CASH, BEGINNING	11,256		
UNENCUMBERED CASH, ENDING	$ 8,213		

CITY OF HERINGTON, KANSAS
Herington, Kansas

AIRPORT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Rental income	$ 109,285	$ 90,000	$ 19,285
Reimbursed expenses	23,143	135,000	(111,857)
Interest income	3,663	3,500	163
TOTAL RECEIPTS	136,091	$ 228,500	$ (92,409)
EXPENDITURES			
Personal services	10,260	$ 10,500	$ (240)
Contractual services	344,181	112,050	232,131
Commodities	33,958	51,500	(17,542)
Sales tax	1,866	-	1,866
Reserve for future period	-	357,403	(357,403)
TOTAL EXPENDITURES	390,265	$ 531,453	$ (141,188)
RECEIPTS OVER (UNDER) EXPENDITURES	(254,174)		
UNENCUMBERED CASH, BEGINNING	235,277		
UNENCUMBERED CASH, ENDING	$ (18,897)		

CITY OF HERINGTON, KANSAS
Herington, Kansas

WATER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 803,963	$ 832,000	$ (28,037)
Other charges	32,128	5,500	26,628
Loan proceeds - Kansas Public Water Supply Loan	1,280,534	-	1,280,534
Reimbursed expenses	7,903	8,500	(597)
Miscellaneous	2,419	-	2,419
TOTAL RECEIPTS	2,126,947	$ 846,000	$ 1,280,947
EXPENDITURES			
Production			
Personal services	71,837	$ 107,000	$ (35,163)
Contractual services	28,628	24,700	3,928
Commodities	151,298	129,150	22,148
Capital outlay	28,783	60,000	(31,217)
Total Production	280,546	320,850	(40,304)
Transmission and Distribution			
Personal services	164,881	169,000	(4,119)
Contractual services	13,873	20,750	(6,877)
Commodities	88,349	107,369	(19,020)
Capital outlay	61,355	140,000	(78,645)
Total Transmission and Distribution	328,458	437,119	(108,661)
General and Administrative			
Personal services	20,555	53,700	(33,145)
Contractual services	17,162	20,750	(3,588)
Commodities	566	4,300	(3,734)
Total General and Administrative	38,283	78,750	(40,467)
Other			
Water treatment plant	1,540,571	-	1,540,571
Sales tax	15,820	17,000	(1,180)
Payroll expense	8,910	15,000	(6,090)
Water protection fee	3,413	4,200	(787)
KPWS Loan payment	164,983	86,746	78,237
USDA Loan	-	176,842	(176,842)
Lease payment	8,245	-	8,245
Reserve for future period	-	68,050	(68,050)
Total Other	1,741,942	367,838	1,374,104
TOTAL EXPENDITURES	2,389,229	1,204,557	1,184,672
Adjustment for qualifying budget credits	-	1,280,534	(1,280,534)
TOTALS FOR COMPARISON	2,389,229	$ 2,485,091	$ (95,862)
RECEIPTS OVER (UNDER) EXPENDITURES	(262,282)		
UNENCUMBERED CASH, BEGINNING	728,317		
UNENCUMBERED CASH, ENDING	$ 466,035		

CITY OF HERINGTON, KANSAS
Herington, Kansas

LIGHT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 2,859,801	$ 2,948,606	$ (88,805)
Other charges	150,961	26,000	124,961
Franchises, licenses, and permits	23,632	-	23,632
Reimbursed expenses	26,710	12,000	14,710
Miscellaneous	14,236	12,750	1,486
TOTAL RECEIPTS	3,075,340	$ 2,999,356	$ 75,984
EXPENDITURES			
Production			
Personal services	18,968	$ 14,000	$ 4,968
Contractual services	1,349,666	1,835,994	(486,328)
Commodities	24,803	47,000	(22,197)
Capital outlay	-	310,000	(310,000)
Total Production	1,393,437	2,206,994	(813,557)
Transmission and Distribution			
Personal services	205,986	255,362	(49,376)
Contractual services	47,720	43,870	3,850
Commodities	177,820	172,893	4,927
Capital outlay	2,000	95,000	(93,000)
Sales tax payable	9,091	21,572	(12,481)
Other expenses	-	15,000	(15,000)
Total Transmission and Distribution	442,617	603,697	(161,080)
General and Administrative			
Personal services	420,677	426,465	(5,788)
Contractual services	105,859	95,700	10,159
Commodities	16,005	17,100	(1,095)
Other expenses	3,142	7,000	(3,858)
Total General and Administrative	545,683	546,265	(582)
Other			
Payroll expenses	20,593	5,200	15,393
Sales tax	100,822	115,000	(14,178)
Transfer to:			
General Fund	146,000	146,000	-
Bond and Interest Fund	111,000	111,000	-
Other	27,008	20,000	7,008
Reserve for future period	-	130,699	(130,699)
Total Other	405,423	527,899	(122,476)
TOTAL EXPENDITURES	2,787,160	$ 3,884,855	$ (1,097,695)
RECEIPTS OVER (UNDER) EXPENDITURES	288,180		
UNENCUMBERED CASH, BEGINNING	1,543,837		
UNENCUMBERED CASH, ENDING	$ 1,832,017		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SEWER FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 257,395	$ 322,400	$ (65,005)
Loan proceeds - wastewater treatment plant	54,405	-	54,405
Miscellaneous	1,225	1,500	(275)
TOTAL RECEIPTS	313,025	$ 323,900	$ (10,875)
EXPENDITURES			
Operations			
Personal services	114,506	$ 122,242	$ (7,736)
Contractual services	48,018	18,901	29,117
Commodities	29,894	24,271	5,623
Capital outlay	31,026	25,000	6,026
KWPCR Loan payment (C20 2040-01)	27,039	39,715	(12,676)
KWPCR Loan payment (C20 1203-01)	39,715	27,039	12,676
Wastewater treatment plant	64,590	-	64,590
Reserve for future period	-	300,839	(300,839)
TOTAL EXPENDITURES	354,788	558,007	(203,219)
Adjustment for qualifying budget credits	-	54,405	(54,405)
TOTALS FOR COMPARISON	354,788	$ 612,412	$ (257,624)
RECEIPTS OVER (UNDER) EXPENDITURES	(41,763)		
UNENCUMBERED CASH, BEGINNING	222,974		
UNENCUMBERED CASH, ENDING	$ 181,211		

CITY OF HERINGTON, KANSAS
Herington, Kansas

SOLID WASTE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL AND BUDGET)
For Year Ended December 31, 2022

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Charges for service	$ 223,592	$ 240,000	$ (16,408)
EXPENDITURES			
Operations			
Contractual services	223,493	$ 225,000	$ (1,507)
Reserve for future period	-	44,206	(44,206)
TOTAL EXPENDITURES	223,493	$ 269,206	$ (45,713)
RECEIPTS OVER (UNDER) EXPENDITURES	99		
UNENCUMBERED CASH, BEGINNING	18,107		
UNENCUMBERED CASH, ENDING	$ 18,206		

CITY OF HERINGTON, KANSAS
Herington, Kansas

CEMETERY PERPETUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

RECEIPTS		
Receipts for perpetual care	$	2,850
Sale of cemetery lots		1,500
Interest income		55
TOTAL RECEIPTS		4,405
EXPENDITURES		
Maintenance		-
RECEIPTS OVER (UNDER) EXPENDITURES		4,405
UNENCUMBERED CASH, BEGINNING		146,686
UNENCUMBERED CASH, ENDING	$	151,091

CITY OF HERINGTON, KANSAS
Herington, Kansas

SPECIAL PURPOSE NONBUDGETED FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

	Donations	Hilltop Deposits	UPTICC Grant	KMEA Prepayments	COVID/ SPARK	American Rescue Plan
RECEIPTS						
Grants	$ -	$ -	$ -	$ -	$ -	$ 173,059
Fees and incentives	-	-	-	70,584	-	-
Reimbursed expenses	-	-	-	-	-	-
Interest	-	437	-	-	-	-
Transfer from - General Fund	-	-	20,900	-	1,013	-
TOTAL RECEIPTS	-	437	20,900	70,584	1,013	173,059
EXPENDITURES						
Contractual services	-	-	-	-	-	48,293
Commodities	-	-	-	-	-	1,700
Capital outlay	44,178	-	-	-	-	16,058
Incentive grants	-	-	20,900	-	-	-
Transfer to - General Fund	-	-	-	199,988	-	-
TOTAL EXPENDITURES	44,178	-	20,900	199,988	-	66,051
RECEIPTS OVER (UNDER) EXPENDITURES	(44,178)	437	-	(129,404)	1,013	107,008
UNENCUMBERED CASH, BEGINNING	84,952	992	-	129,404	(1,013)	173,059
UNENCUMBERED CASH, ENDING	$ 40,774	$ 1,429	$ -	$ -	$ -	$ 280,067

CITY OF HERINGTON, KANSAS
Herington, Kansas

HERINGTON PUBLIC LIBRARY - RELATED MUNICIPAL ENTITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - REGULATORY BASIS
(ACTUAL)
For Year Ended December 31, 2022

Schedule 3

	Operations	Capital Improvement	Total
RECEIPTS			
Appropriations	$ 72,363	$ -	$ 72,363
Contributions and support	1,000	-	1,000
NCKL	2,134	-	2,134
State aid	296	-	296
Miscellaneous	2,750	-	2,750
Interest	2,072	20	2,092
Transfers	-	1,500	1,500
TOTAL RECEIPTS	80,615	1,520	82,135
EXPENDITURES			
Books	1,073	-	1,073
Advertising and marketing	40	-	40
Contract expense	3,548	-	3,548
Capital outlay	850	-	850
Insurance	3,851	-	3,851
Magazines and newspapers	281	-	281
Maintenance	950	-	950
Office expense	1,200	-	1,200
Programs			
Children	171	-	171
Summer reading	153	-	153
Payroll			
Expense	52,068	-	52,068
Taxes	17,454	-	17,454
Utilities	1,580	-	1,580
Miscellaneous	623	-	623
Transfers	1,500	-	1,500
TOTAL EXPENDITURES	85,342	-	85,342
RECEIPTS OVER (UNDER) EXPENDITURES	(4,727)	1,520	(3,207)
UNENCUMBERED CASH, BEGINNING	183,965	21,486	205,451
UNENCUMBERED CASH, ENDING	$ 179,238	$ 23,006	$ 202,244